

June 4, 1999

William (Bill) J. Lyons, Jr.
Secretary
Department of Food and Agriculture
1220 N Street, Room 409
Sacramento, CA 95814

Dear Secretary Lyons:

In addressing concerns regarding the CALFED Bay-Delta Program and its potential effects on agriculture, it is important to keep in mind the purpose and scope of the CALFED Bay-Delta Program—to develop a long-term comprehensive plan that will restore ecological health and improve water management for beneficial uses of the Bay-Delta system. In order to achieve this purpose, the Program is seeking to carry out multiple-purpose projects that will make improvements in each of the four resource areas: ecosystem quality, water quality, water supply reliability, and levee system integrity. The Program has developed plans to meet the objectives for each resource area. For example, the ecosystem restoration plan seeks to improve and increase aquatic and terrestrial habitats and improve ecological functions in the Bay-Delta to support sustainable populations of diverse and valuable plant and animal species. The primary water supply reliability objective—to reduce the mismatch between supply and demand—is addressed through the water management strategy.

In discussing the Program's potential effects on agriculture, it is also important to consider that the Program provides significant benefits to agriculture. Among the most important are major improvements in water supply dependability due to the Program's actions to improve the status of endangered species, reduce the likelihood of new endangered species act listings, and increase water management flexibility through improved operations, such as the joint point of operation for the State Water Project and the Central Valley Project. New surface and groundwater storage could provide additional water for agriculture, urban uses and the environment. Levee stability actions will protect Delta agricultural land from flooding due to levee failures, and protect irrigation water exports from saltwater intrusion. Improved water quality and reliability for export will allow greater crop flexibility, shifting to higher-value crops, increased yields and lower production costs. A more flexible water transfer market will provide farmers the ability to receive cash to expand operations, or to receive water to produce higher-value crops. The

CALFED Agencies

California

- The Resources Agency
- Department of Fish and Game
- Department of Water Resources
- California Environmental Protection Agency
- State Water Resources Control Board

Federal

- Environmental Protection Agency
- Department of the Interior
- Fish and Wildlife Service
- Bureau of Reclamation
- U.S. Army Corps of Engineers

- Department of Agriculture
- Natural Resources Conservation Service
- Department of Commerce
- National Marine Fisheries Service

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Program will provide also provide financial and technical assistance to assure efficient agricultural water use. A substantial proportion of the ecosystem restoration program will include long-term conservation easements to allow farmers to continue farming, thus paying farmers to keep agricultural land from being converted for urban development or other incompatible uses. Finally, the Program is not proposing a wholesale reallocation of water rights or the use of regulatory authority to meet Program purposes. Instead, the Program uses increased efficiency, improved coordination and willing seller transactions to accomplish its objectives.

The Program will, however, have some adverse consequences for localized agriculture. Although a worst case estimate of agricultural land conversion from the entire program, including storage and conveyance facilities, levee improvements, as well as ecosystem restoration, is 243,000 acres, the expectation is that in reality far fewer acres will be converted to non-agricultural uses. The Program expects much of the existing farmland to continue in wildlife friendly agricultural practices protected by conservation easements. In addition, although the Program could have adverse economic impacts in certain areas, the Program will be implemented so as to minimize those impacts. For example, water transfers and groundwater conjunctive use proposals will be subject to analysis and modification to protect local environments and economies from long-term injury.

The programmatic environmental impact statement and report includes mitigation strategies to minimize impacts to agriculture by only converting private lands if public lands and easements cannot be used; retaining water allocations from retired drainage-impaired lands within the existing water districts; including provisions in flood plain restoration efforts for compatible agricultural practices; purchasing water for habitat purposes from different areas in different years to avoid long-term effects on any one locality; using levee reconstruction methods that minimize the use of agricultural land; and minimizing the amount of water supply required to sustain managed wetlands. These strategies will be used in the future in analyzing actions at a project-level review.

Inherent in the very purpose of the Program is ecosystem restoration in the Delta in order to create a healthy, functioning system that will no longer trigger regulatory prescriptions to protect endangered species, thereby reducing conflicts from competing demands on the Delta. The CALFED agencies, an independent scientific review panel and stakeholders have determined it is impossible for CALFED to meet its program objectives without the conversion of some agricultural lands in the Delta. The mitigation strategies described above assure that the Program will minimize its effects on agriculture. In addition, the Program's adaptive management principles will ensure that the minimum amount of land necessary to accomplish its objectives is converted. The Program uses a

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phased habitat development approach; once the ecosystem's natural processes and functions are restored and effective, additional habitat restoration actions will no longer be necessary. Even with these safeguards, the fact remains that in order to implement the Program some agricultural land in the Delta will likely be converted for habitat, levees, storage and/or conveyance facilities.

CDFA has raised a number of concerns with the Draft Programmatic EIS/EIR scheduled for release this month. These concerns can generally be described as the need to address alternatives that would have fewer impacts to agriculture; the adequacy of the mitigation strategies for impacts to agricultural land conversion and loss of irrigation water; the adequacy of the programmatic and project-specific environmental reviews to address cumulative impacts to agriculture; and the effect of a statement of overriding considerations at both the programmatic and second-tier environmental review level. I am confident that the document adequately addresses the impacts to agriculture required by the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). However, I believe the important issue is not the legal defensibility on these specific points, but rather the broader policy issues regarding statewide impacts on prime agricultural lands and agricultural water supplies. As expressed by CDFA, the overriding policy issue is "that the best agricultural land and the best, most secure, and most affordable water rights are being disproportionately taken away from agricultural interests by a number of projects, including CALFED; and those rights are being replaced by less secure, more expensive water rights." I hope that we can focus on these two land and water policy issues for our discussion next week. While CDFA has not been explicit about solutions to these issues, CDFA staff have proposed several approaches. I have attached a table which summarizes the issue, the CDFA approach, and the CALFED approach. Hopefully this will aid our discussion.

The issues and challenges facing the agricultural community are important to the future economy of California, and statewide land and water policies can help improve the viability of that economy. CALFED supports policies that provide for agricultural land preservation on a statewide basis. CALFED will continue to include policies in its Program that provide more secure water supplies, allow existing agricultural land uses to continue as much as possible, and to reduce impacts of the Program to agriculture.

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I look forward to discussing these issues with you and your staff, and am optimistic that we can help address these concerns in the appropriate forum.

Sincerely,

A handwritten signature in black ink, appearing to read "Lester A. Snow", with a long horizontal flourish extending to the right.

Lester A. Snow
Executive Director

cc: Mary Nichols
A.J. Yates
John Dyer
Tom Hannigan
Patrick Wright
Ryan Broddrick
Katherine Kelly